



3515 Amazonas Drive
Jefferson City, Missouri 65109
573-751-2361
573-751-6635 Fax
www.dhe.mo.gov

TO: Common Manual Recipients

FROM: Carolyn Small, Coordinator/Policy

DATE: November 7, 2003

SUBJECT: *Common Manual* Updates

Enclosed are the most recent summaries of policy updates approved by the *Common Manual* Governing Board on October 16, 2003, and a new running index of updates to the July 2003 reprint of the *Common Manual*.

You also may want to view an integrated version of the electronic *Common Manual* on the Missouri Department of Higher Education web site. The *Integrated Common Manual* is a particularly useful reference tool, since it includes new policy language shown by underlined text and deleted language shown by strike-outs. In addition, it contains a special feature: a note box, next to text that has been changed, which includes the effective date and triggering event. At the bottom of each page on which a change has occurred, you will find the policy reference number, batch number and the Governing Board approval date. The *Integrated Common Manual* is provided as a supplement to the enclosed *Common Manual* updates. You may view the electronic version of the July 2003 *Common Manual*, all policy updates to the July 2003 Manual that have been distributed to date, and the *Integrated Common Manual* at www.dhe.mo.gov/publications/icminfo.htm. MDHE participants are notified that new policy updates have been added to the *Integrated Common Manual* through a notice posted to the MDHE E-Distribution list. You may subscribe to this list by visiting the subscription page online at www.dhe.mo.gov/mdhedigest/signup.htm.

If you have questions about the content of the *Common Manual*, monthly policy updates, or the electronic *Integrated Common Manual*, contact Carolyn Small, coordinator - policy analyst, at (573) 751-1767.

Enclosures

Subject Index

Section	Subject of Revision	Distribution Date
2.2	The Life of a FFELP Loan	September 29, 2003
2.2.C	Repayment	September 29, 2003
3.5.D	Reporting Loan Status Changes	October 21, 2003
3.6.B	Financial Responsibility	September 29, 2003
4.4	Reporting Social Security Number Changes	October 21, 2003
4.6	Withdrawal Dates	September 29, 2003
4.8.A	National Student Loan Data System (NSLDS) Enrollment Reporting	October 21, 2003
5.2.D	Prior Overpayment	November 7, 2003
9.1.B	Lender Reporting of Enrollment Changes	October 21, 2003
9.5.B	Maximum Repayment Period	September 29, 2003
10.22.C	National Service, Loan Forgiveness, or Department of Defense Repayment	October 21, 2003
11.4.A	Due Diligence Requirements for Loans with Monthly Repayment Obligations	November 7, 2003
11.4.B	Due Diligence Requirements for Loans with Repayment Obligations Less Frequent Than Monthly (Default Claim Filing)	November 7, 2003
11.4.B	Due Diligence Requirements for Loans with Repayment Obligations Less Frequent Than Monthly (Text Reorganization)	November 7, 2003
12.1.D	Claim File Documentation	November 7, 2003
12.8.B	Closed School	September 29, 2003
12.8.E	Total and Permanent Disability (Payments After Claim Payment)	November 7, 2003
12.8.E	Total and Permanent Disability (Discharge Application)	November 7, 2003
12.9.B	Teacher Loan Forgiveness Program	November 7, 2003
13.3.B	Non-Default Claims	November 7, 2003
Figure 2-1	Life of a Stafford Loan	September 29, 2003
Figure 2-2	The Life of a PLUS Loan	September 29, 2003
Figure 10-2	Forbearance Eligibility Chart	October 21, 2003
Appendix G	Glossary (Claim)	September 29, 2003

Appendix G	Glossary (Reaffirmation)	September 29, 2003
Appendix G	Glossary (Lender)	October 21, 2003
Appendix G	Glossary (Mandatory Administrative Forbearance)	October 21, 2003
Appendix G	Glossary (Mandatory Forbearance)	October 21, 2003

If you have any questions about this publication of *Common Manual* Updates, please contact the MDHE Information Center at (800) 473-6757 or (573) 751-3940.

Running Index of Updates for July 2003 *Common Manual*, through October 16, 2003.

Furnished by the Missouri Department of Higher Education - Student Loan Program



Policy Changes Approved **October 16, 2003**

Unified Student Loan Policy

Batch 107: Proposal 705-708 & 710-712

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update in July 2004. These changes will also be incorporated into the September 2003 *Integrated Common Manual*. The *Integrated Common Manual* is available on the MDHE web site at www.dhe.mo.gov/Publications/cminfo.htm. Please carefully note the effective date of each policy change.

Resolution of an Overpayment

The *Common Manual* states that a borrower who has an overpayment of \$25 or more must resolve that overpayment to be considered eligible for additional Title IV funds. Previous policy in subsection 5.2.D indicated that the borrower could, among other options, make satisfactory arrangements with the school to repay an overpayment. This policy has been updated to acknowledge that the borrower has the additional option of making satisfactory repayment arrangements with the Department to resolve the overpayment.

Affected Section:	5.2.D Prior Overpayment
Effective Date:	Return of Title IV funds regulations are effective for any student who withdrew on or after October 7, 2000, unless implemented earlier by the school on or after November 1, 1999.
Basis:	§668.22(h).
Policy Information:	705/Batch 107
Guarantor Comments:	None



Policy Changes Approved **October 16, 2003**

Unified Student Loan Policy

Batch 107: Proposal 705-708 & 710-712

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update in July 2004. These changes will also be incorporated into the September 2003 *Integrated Common Manual*. The *Integrated Common Manual* is available on the MDHE web site at www.dhe.mo.gov/Publications/cminfo.htm. Please carefully note the effective date of each policy change.

Total and Permanent Disability Discharge Application References

The *Common Manual* has been revised to delete references to a total and permanent disability discharge application that is no longer acceptable. The revised policy confirms that the lender must send borrowers requesting discharge due to a total and permanent disability the Loan Discharge Application: Total and Permanent Disability or other form(s) approved by the Department, as specified in Dear Colleague Letter GEN-02-12.

Affected Sections:	12.1.D Claim File Documentation 12.8.E Total and Permanent Disability
Effective Date:	Total and permanent disability discharge applications provided to borrowers by the lender on or after March 31, 2003.
Basis:	DCL GEN-02-12.
Policy Information:	706/Batch 107
Guarantor Comments:	None



Policy Changes Approved **October 16, 2003**

Unified Student Loan Policy

Batch 107: Proposal 705-708 & 710-712

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update in July 2004. These changes will also be incorporated into the September 2003 *Integrated Common Manual*. The *Integrated Common Manual* is available on the MDHE web site at www.dhe.mo.gov/Publications/cminfo.htm. Please carefully note the effective date of each policy change.

Borrower Payments after Total and Permanent Disability (TPD) Claim

The *Common Manual* policy regarding a payment received after the date a TPD claim is paid has been revised. The new policy eliminates the requirement that, at the time the lender forwards the borrower payment to the guarantor, the lender notify the borrower or other party who sent the payment that there is no obligation to make further payments, unless directed otherwise.

Revising prior guidance from Dear Colleague Letter GEN-02-03, the *Responses to Total and Permanent Disability Outstanding Issues* letter received on March 3, 2003, from Jeff Baker, Program Development, U.S. Department of Education, clarifies in Q&A #2 that the lender is required only to forward to the guarantor a payment received from or on behalf of the borrower after it has filed a total and permanent disability claim and received the claim payment. The Department acknowledges in this letter that requiring both the lender and guarantor to provide a notice to the party who submitted the payment is duplicative.

Affected Section: 12.8.E Total and Permanent Disability

Effective Date: Borrower payments received on or after April 1, 2003, after a total and permanent disability claim payment has been received by the lender, unless implemented earlier by the guarantor.

Basis: *Responses to Total and Permanent Disability Outstanding Issues* letter from Jeff Baker, Program Development, U.S. Department of Education, received March 3, 2003, Q&A #2.

Policy Information: 707/Batch 107

Guarantor Comments: None



Policy Changes Approved **October 16, 2003**

Unified Student Loan Policy

Batch 107: Proposal 705-708 & 710-712

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update in July 2004. These changes will also be incorporated into the September 2003 *Integrated Common Manual*. The *Integrated Common Manual* is available on the MDHE web site at www.dhe.mo.gov/Publications/cminfo.htm. Please carefully note the effective date of each policy change.

Waiver of Uninterrupted Service Requirement for Teacher Loan Forgiveness

The *Common Manual* has been revised to state that lender should not consider the time that a borrower is on active duty as a result of a military mobilization as an interruption in the 5 consecutive, complete academic years that a borrower must serve as a full-time teacher at a qualifying school to be eligible for teacher loan forgiveness. This applies to a borrower who is a member of a reserve component of the Armed Forces and is called or ordered to active duty for more than 30 days, and to a borrower who is a regular active duty member of the Armed Forces and is reassigned to a different duty station for more than 30 days.

Affected Section:	12.9.B Teacher Loan Forgiveness Program
Effective Date:	Teacher Loan Forgiveness Program applications submitted by the lender to the guarantor on or after May 14, 2003.
Basis:	<i>Federal Register</i> , Vol. 68, No. 93, dated May 14, 2003, pages 25821-25822.
Policy Information:	708/Batch 107
Guarantor Comments:	None



Policy Changes Approved **October 16, 2003**

Unified Student Loan Policy

Batch 107: Proposal 705-708 & 710-712

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update in July 2004. These changes will also be incorporated into the September 2003 *Integrated Common Manual*. The *Integrated Common Manual* is available on the MDHE web site at www.dhe.mo.gov/Publications/cminfo.htm. Please carefully note the effective date of each policy change.

Due Diligence in Default Claim Filing

The *Common Manual* has been revised to align text in subsections 11.4.A and 11.4.B with text in subsection 12.6.A. This change adds explicit language in chapter 11 to state that for loans with monthly repayment obligations, a lender must file default claims by the 360th day of delinquency. For loans with repayment obligations less frequent than monthly, a lender must file default claims by the 420th day of delinquency.

Affected Sections:	11.4.A Due Diligence Requirements for Loans with Monthly Repayment Obligations 11.4.B Due Diligence Requirements for Loans with Repayment Obligations Less Frequent Than Monthly
Effective Date:	Loans for which the first day of delinquency on the oldest outstanding due date is on or after July 1, 2000, unless implemented earlier by the guarantor.
Basis:	§682.411(e)(f)(h) and (I), as updated in the <i>Federal Register</i> dated October 29, 1999.
Policy Information:	710/Batch 107
Guarantor Comments:	None



Policy Changes Approved **October 16, 2003**

Unified Student Loan Policy

Batch 107: Proposal 705-708 & 710-712

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update in July 2004. These changes will also be incorporated into the September 2003 *Integrated Common Manual*. The *Integrated Common Manual* is available on the MDHE web site at www.dhe.mo.gov/Publications/cminfo.htm. Please carefully note the effective date of each policy change.

Due Diligence and Ineligible Borrower Claims

The *Common Manual* has been revised to clarify that for ineligible borrower claims, due diligence is monitored from the date the lender receives notification that a borrower is ineligible. A cross-reference to subsection 11.4.F has been added for information on required due diligence activities as well as a cross-reference to subsection 13.4.A for information on timely filing violations.

Affected Section: 13.3.B Non-Default Claims
Effective Date: Retroactive to the implementation of the *Common Manual*.
Basis: §682.305; §682.406(a)(5); §682.412.
Policy Information: 711/Batch 107
Guarantor Comments: None



Policy Changes Approved **October 16, 2003**

Unified Student Loan Policy

Batch 107: Proposal 705-708 & 710-712

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update in July 2004. These changes will also be incorporated into the September 2003 *Integrated Common Manual*. The *Integrated Common Manual* is available on the MDHE web site at www.dhe.mo.gov/Publications/cminfo.htm. Please carefully note the effective date of each policy change.

Due Diligence Requirements for Loans with Repayment Obligations Less Frequently Than Monthly

The *Common Manual* has been revised by deleting the note in subsection 11.4.B regarding the chapter's overarching reference to due diligence time frames for loans with monthly repayment obligations, except where noted. Similar language has been moved to the introductory text in chapter 11. The relocated language also provides a cross-reference to section 1.6 for guarantor contact information.

Affected Section:	11.4.B Due Diligence Requirements for Loans with Repayment Obligations Less Frequent Than Monthly
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	None
Policy Information:	712/Batch 107
Guarantor Comments:	None